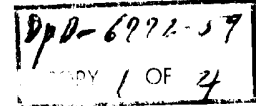


Log No. 226-S *Jim*  
Copy No. 1 of 4 copies



**ELECTRONIC SYSTEMS**

974 Commercial Street  
Palo Alto, California  
DAvenport 1-4175

October 1, 1959

Proposal No. 59-148

**REGISTERED - RETURN RECEIPT REQUESTED**

Attention:

Contracting Officer

STAT

Gentlemen:

In response to your recent request, we are pleased to enclose our quotation for a quantity of eight (8) Granger Associates Model 504B Deceptive Repeaters. In accordance with your verbal authorization we have commenced production on these units as our Project GA-97.

Our price for these units is \$18,442.91 each, or \$147,543.24 total contract price. This price is presented on a fixed price basis, in view of the fact that this contract will be follow-on production to equipment already developed. Our price is F.O.B. any destination in the continental United States and is firm for a period of 30 days. Terms are: Net 30 days. A cost analysis is enclosed for your evaluation.

Delivery can be accomplished according to the following schedule:

- 1 Unit on 15 January 1960
- 1 Unit on 15 February 1960
- 2 Units on 15 March, 15 April, 15 May 1960

We realize that the time schedule is important and will make every effort to improve the delivery. The determining item is delivery of the traveling wave tubes.

The Model 504B is identical to the Model 504A previously supplied under Contract SE-509 except for mechanical and minor power supply changes to permit the use of new types of traveling wave tubes. We will use the Litton Industries Type 3266 Low Power tube and Type 3236 High Power tube in the new units. Several advantages are realized by this change of tubes: the tubes are more rugged and more reliable, and the Type 3236 has a two watt output in place of the one watt output in the tubes used previously.

*SE-570*  
*Prop. Sec*

Proposal No. 59-148  
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Page 2

Our price includes \$3,450.00 for additional test equipment to speed production testing of these units. The included test equipment to some extent duplicates equipment available in our laboratory, but which is in constant use on other projects now under way.

No field testing or field service is included in our price. If either are required, separate provisions should be made.

The previous units incorporated a container and front panel supplied to us by Lockheed Aircraft Corporation. Since tooling costs on these items would be prohibitive, we assume you would arrange for these to be supplied to us, as in the past. Consequently, no provision has been made for their cost in our price.

We trust this information will permit you to write a definitive contract to cover your verbal authorization. If further information is required, please do not hesitate to contact us.

Very truly yours,



President

STAT

JVNG:jb

Encl: 2 cc Cost Analysis

OCT 5 4 02 PM '59

**Page Denied**

**SECRET**

**DPD-7693-60**

**13 October 1960**

**Granger Associates  
966 Commercial Street  
Palo Alto, California**

**REF: Contract SE 510**

**Gentlemen:**

Your invoice number 0553 under the cited contract has been processed for payment in the amount of \$7,192.82 which is \$5,000.00 less than the total amount billed.

The amount suspended pertains to clause 24(f) Patent Rights and 25 (d) Reporting of Royalties under the General Provisions of the contract which state that after payment of 80% of the total contract price, a reserve of \$5,000.00 or 10% of the contract price shall be set aside to be retained until the contractor shall have furnished to the Contracting Officer certain reports.

**Yours very truly,**

**Doug**

**Dist:**

**2 - Addressee**

**1 - Contract SE 510 (Fin DPD)**

**1 - Contract Branch DPD SE 510 TYP**

**1 - Reading DPD-Fin**

**1 - RI DPD**

**HEB:nh/DPD-Fin/13 October 1960**

DOCUMENT NO. **26**  
NO CHANGE IN CLASS **X**  
☐ DECLASSIFIED  
CLASS CHANGED TO: TS S C **2011**  
NEXT REVIEW DATE:  
AUTH: HR 70-2  
DATE **7/26/81** REVIEWER: 010956